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January 30, 2001

APPLICATION

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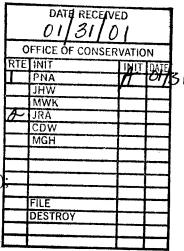
Honorable Philip N. Asprodites Commissioner of Conservation Louisiana Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

RE:

Application For Revision of Authority to Commingle
Onshore Production per Well Test (formerly by Metering)
Live Ook Commingling Facility

Live Oak Commingling Facility Live Oak Field; Vermilion Parish, Louisiana Applicant: Union Oil Company of California

Dear Commissioner Asprodites:



Cb#91972

Application is hereby made on behalf of Union Oil Company of California ("Unocal"), for the issuance of an Order approving a revision of the authority for the commingling of onshore gas and gas condensate production from the Live Oak Field, as situated within the captioned parish, in the existing Live Oak Commingling Facility, formerly operated by Henry Production Company, Inc. The prior operator utilized metering for allocation of production through the facility among the interested parties. By this Application, Unocal proposes to continue commingling in the facility using well testing to accomplish fair allocation among those parties.

Unless otherwise indicated below, this Application is made pursuant and subject to certain Unitization Orders which have been duly entered to equitably allocate production among the interested parties hereto, as listed in Attached Exhibit "A", from one or more of the above referenced wells producing from defined sands recognized by the Louisiana Office of Conservation in the Live Oak Field, as situated in the captioned parish, and all as operated by Unocal as follows:

- (1) The Live Oak Plantation Trust No. 1 Well (SN 220275), currently productive on a lease basis from a non-unitized stratum, the 10,700' Sand, is completed in said sand at a perforated depth interval of 10,692'-10,697'.
- (2) Pursuant to Order No. 300-K, a single drilling and spacing unit was created for the 12,300' Sand, Reservoir A, Sand Unit A, with production from said unit currently being produced

in the Live Oak Plantation Trust 12,300' RA SUA No. 2 Well (SN 220655) as the unit well for said unit. Said well is completed in the 12,300' Sand in the 12,300' RA SUA at a perforated depth interval of 12,266'-12,276'.

- (3) Pursuant to Order No. 300-Z, a single drilling and spacing unit was created for the 11,400' Sand, Reservoir A, Sand Unit A, with production from said unit currently being produced in the Live Oak Plantation Trust 11,400' RA SUA No. 3 Well (SN 221192) as the unit well for said unit. Said well is completed in the 11,400' Sand in the 11,400' RA SUA at a perforated depth interval of 11,218'-11,224'.
- (4) Pursuant to Order No. 300-AA, a single drilling and spacing unit was created for the 12,200' Sand, Reservoir A, Sand Unit A, with production from said unit currently being produced in the Live Oak Plantation Trust 12,200' RA SUA No. 4 Well (SN 221646) as the unit well for said unit. Said well is completed in the 12,200' Sand in the 12,200' RA SUA at a perforated depth interval of 12,224'-12,240'.
- (5) The Live Oak Plantation Trust No. 5 Well (SN 221684), currently productive on a lease basis from a non-unitized stratum, the 9,200' Stray Sand, is completed in said sand at a perforated depth interval of 9,176'-9,178'.
- (6) Pursuant to Order No. 300-C, a single drilling and spacing unit was created for the Stovall Sand, Reservoir A, Sand Unit C, with production from said unit currently being produced in the Live Oak Plantation Trust Stovall RA SUA No. 6-Alt Well (SN 222339) as an alternate unit well for said unit. Said well is completed in the Stovall Sand in the Stovall RA SUC at a perforated depth interval of 11,496'-11,514'.
- (7) Pursuant to Order No. 300-K, a single drilling and spacing unit was created for the 12,300' Sand, Reservoir A, Sand Unit A, with production from said unit currently being produced in the Live Oak Plantation Trust Stovall RA SUA No. 8-Alt Well (SN 223319) as an alternate unit well for said unit. Said well is completed in the 12,300' Sand in the 12,300' RA SUA at a perforated depth interval of 12,271'-12,277'.
- (8) Pursuant to Order No. 300-DD, a single drilling and spacing unit was created for the 10,600' Sand, Reservoir A, Sand Unit A, with production from said unit currently being produced in the Live Oak Plantation Trust Stovall RA SUA No. 8-D Well (SN 223515) as the unit well for said unit. Said well is completed in the 10,600' Sand in the 10,600' RA SUA at a perforated depth interval of 10,616'-10,620'.
- (9) Pursuant to Order No. 300-AA, a single drilling and spacing unit was created for the 12,200' Sand, Reservoir A, Sand Unit A, with production from said unit currently being produced in the Live Oak Plantation Trust 12,200' RA SUA No. 9 Well (SN 224946) as the unit well for said unit. Said well is completed in the 12,200' Sand in the 12,200' RA SUA at a perforated depth interval of 12,240'-12,248'.

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(10) Pursuant to Order No. 300-C, a single drilling and spacing unit was created for the Stovall Sand, Reservoir A, Sand Unit C, with production from said unit currently being produced in the Live Oak Plantation Trust 12,200' RA SUA No. 10 Well (SN 225097) as the unit well for said unit. Said well is completed in the Stovall Sand in the Stovall RA SUC at a perforated depth interval of 12,145'-12,160'.

Additionally, enclosed herewith are the following:

- 1. A detailed narrative explanation of the flow of natural gas, liquid hydrocarbons, and produced water through the facility; the procedures for testing and measurement of the volumes of gaseous and liquid hydrocarbons from each well flowing into the facility via periodic well tests; the metering of total gaseous and liquid hydrocarbons, and produced water processed through the facility; the frequency of inspections or calibration of the metering devices to be used to measure natural gas, liquid hydrocarbon, and produced water volumes for equitable allocation; and, the formulas to be utilized to calculate equitable allocation of natural gas and liquid hydrocarbons, and water volumes therefrom;
- 2. A detailed schematic flow diagram of the mechanical facilities to be used for commingling, including specific well test equipment and meter locations to be used for allocation purposes;
- 3. A list of Interested Parties; and
- 4. Our firm check in the amount of \$233.00 representing the required filing fee for this application.

Unocal, as the owner and operator of the facilities included in the Live Oak Commingling Facility in the Live Oak Field, makes application proposing to accomplish commingling and allocation by well test of onshore production in the manner set forth in the narrative explanation attached hereto, and with reference and as shown on the detailed schematic flow diagram of the proposed commingling facility attached hereto.

Therefore, Unocal requests that notice of the filing of this application be published in the official journal of the State of Louisiana. Further, Unocal requests that a copy of said notice be forwarded to Unocal through counsel for mailing to all parties on the Interested Parties list, to be proved by an affidavit of mailing submitted to the Office of Conservation. Upon such due notice, Unocal requests that this matter be set for public hearing pursuant to La. R.S. 30:6 for consideration by the Commissioner of this Application for the issuance of an Order approving the commingling of produced natural gas and liquid hydrocarbons from the aforementioned units and sands, and tested per well and metered in total volume for commingling and equitable allocation as proposed.

Pursuant to the duly signed statement attached hereto, it is the opinion of Unocal, that the commingling of natural gas and liquid hydrocarbons and the use of well test for allocation of production in the manner proposed herein will provide reasonably accurate measurement, will not

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create inequities, and will afford the owner of any interest therein the opportunity to recover his just and equitable share of production or revenues accruing from the units and wells under consideration.

A reasonable effort was made to ascertain the names and addresses of all Interested Parties. A copy of this application has been mailed to the District Manager of the Lafayette District, Office of Conservation. Upon receipt of the Legal Notice, the Applicant will mail a copy of same to all Interested Parties in accordance with Statewide Order 29-D-1, and forward to you the required affidavit of mailing.

Very truly yours,

BRENT G. SONNIER

Attorney for UNION OIL COMPANY OF CALIFORNIA

BGS Enclosures

cc: Mr. Richard Hudson, District Manager,
Louisiana Office of Conservation, Lafayette District

Mr. Al Frederick, Unocal Oil Company of California

All Interested Parties